

ARGUMENTS AND CONFRONTATIONS IN PERFORMANCE MANAGEMENT

Dr. Ajit Bansal¹

Abstract

The success or failure of an organization in retaining & managing its manpower depends largely on the quality of performance management system designed & followed by it. Earlier performance management was seen as a prerogative of a human resource manager and it was used as a tool to reward or punish the employees. But nowadays employees have the right to know how they are performing. Even they can conduct their self appraisal. In this paper an attempt has been made to highlight issues & challenges relating to Performance Management.

Keywords: *Performance Management, Manpower, Reward, Self Appraisal.*

Introduction:

Since 1980s, the discipline of Human Resource Management has witnessed a lot of new emerging concepts like Performance Management, Quality Circles, and total Quality Management and so on. Performance Management has emerged as a management tool for measuring the performance of employees and compensating them accordingly.

The main objective of Performance Management is to monitor the performance of employees on a continuous basis and to manage their performance. It is used as a tool to control the employees and also to obtain their maximum participation towards fulfilment of organizational objectives.

Performance Management Model

Although different models are given by different authors yet in authors' opinion, performance management model suggested by Frances Neale in his book, "Handbook of Performance Management" is more relevant in modern scenario. In this paper an attempt has been made to analyze various components of the said model.

¹ Professor, Chitkara Business School, Chitkara University, Punjab, India

- a) **Strategy & Objectives:** In the very first step managers are required to identify the mission and vision statement of the organization so as to derive long term and short term objectives on the basis of that. The objectives derived should be smart ones i.e. they should be specific, measurable, agreeable, realistic and time bound.
- b) **Performance Measurement Standards:** This is one of the major components of performance management model. It is as important as finance for an organization. So performance targets should be set carefully after considering all factors which may have impact on performance of an individual. The standards so set should be measurable and realistic one. They should neither be too high nor too low.
- c) **Performance Related Skill Training:** Training should be provided to all employees so that they can understand their job profile and perform the job accordingly. Job trainings can be on the job and off the job. Usually in case of technical jobs, on the job training is more advisable. Performance enhancement through training is most likely to be achieved when the training itself is focused on performing real tasks of significance to those involved.
- d) **Appraisal or Measuring Performance:** Appraisal has a major role to play in this model. The main feature of a performance appraisal system is the establishment of objectives against which assessment of the performance of individual is based. An individual should be told about the organizational expectations and objectives against which his performance is going to be measured. The good appraisal system can never be confidential. Managers should play impartial role while conducting performance appraisal system as wisely drafted and honestly implemented system will be perceived to be good by all employees of the organization and everyone will take it seriously. At the end the employee should be given transparent feedback regarding his performance and gaps, if any so that he can improve.

Objectives or Purpose of Performance Appraisal:

- The employees can assess their performance themselves
- Team spirit can be built.
- There will be better understanding between appraiser and performance.
- Identifying potential of employees and recognizing their achievements.
- Improving Organizational Performance

- Improved Supervision

e) **Performance Related Pay (PRP) or Rewarding:** Performance Related Pay is a term used to cover a variety of reward management. It can be used within organizations to design a particular scheme like bonus system or merit pay system.

It is that part of financially measurable rewards which are directly associated with performance of employees. This system is also being criticized by a lot of labour unions. So nowadays corporate have started developing group award system aimed at rewarding team, department or both.

The companies can devise other systems for recognizing the performance of employees as well other than linking it with monetary rewards. Certain ways are suggested by Chapman in which employee's contribution can be recognized:

- Declaring employee of the month in staff meetings
- Sending a mail to the concerned employee recognizing his contribution
- Inviting the best performer on lunch with management
- Have an employee of the month lunch.

f) **Coaching and Counseling:** Coaching is providing a person or group with the guidance, support and confidence to enable them to enhance their performance continuously. It involves working within an individual on a particular task that forms part of their job with an objective of improving performance of employee.

The task of counseling is to assist others to make changes in their work. The main purpose of counseling is to advise but not to provide the solutions. Effective counseling is an integral part of managing performance. Counseling becomes imperative when the employee is not able to perform well due to any reason not known to him and management wants him to improve and perform. Some attributes of counseling are:

- The sessions should be timely,
- They should be planned in advance and should be in supportive environment,
- Two way communications should be there,
- No focus on negative issues,

- Progress of sessions should be monitored so that on the basis of performance of employee, the efficiency of counseling sessions can be rated,
- g) **Succession Management:** It includes all activities aimed at ensuring a suitable supply of successors for senior or key posts. A succession plan should be much more than an organization chart showing who will succeed whom. It should first of all set the business scene against which future succession will take place. It should indicate the likely shape and size of the organization and the content of future management jobs. Activities in succession management includes:
- Analysis of demand for managers and professionals by level, function and skill
 - Inventory of existing stock of manpower resources
 - Career Counseling
 - Performance related training & development to prepare individual for future roles as well as their current responsibilities.

Key Benefits of Performance Management

- Managers will have focus on behavior and results.
- Expectations will be validated
- Equal treatment of all employees
- Performance reviews will be focused on contribution to management goals
- Performance is viewed as a continuous process
- It will support ongoing communication, feedback and dialogue about organizational goals.
- Provides specificity for comparisons, direction and planning.
- Redirects attention from bottom-up approaches.

Conclusion:

Nowadays organizations seem to be more dynamic and changing as compared to ever before. The external environmental variables are also changing rapidly. As per some experts no sooner is a measurement identified than the measurement becomes obsolete because the organizations have changed substantially. The measurements themselves may change. However as organizational members

we should be able to scan, recognize and explain this change. Managers of tomorrow should take into consideration all the parameters which may impact external environment and hence performance of employees.

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